



PENINSULA CLEAN ENERGY
JPA Board Correspondence

Additional information regarding Agenda Item 6:
PCE 2018 Electric Rates

The attached information is a summary of the 2018 rate analysis performed by Peninsula Clean Energy (PCE) staff and Pacific Energy Advisors, Inc. (PEA) based on all available information from PG&E's November 2018 ERRR (Energy Resource Recovery Account) Update and August AET (Annual Electric True-Up) Filing.

PCE staff is recommending adjustments to a subsection of rates in order to maintain at least a 5% discount on rates that are projected to be negatively impacted when PG&E's rate adjustments become effective January 1, 2018. At this time, we are focusing only on winter rates under the TOU (Time of Use) schedules since these are the rates currently being charged. Once PG&E's actual new rates are known, PCE staff will propose subsequent adjustments to PCE's remaining rates to bring them in-line with the net 5% discount across all rate classes.

Further discussion of these items will occur during the staff presentation at the Board meeting.

Peninsula Clean Energy
Proposed Interim Rate Adjustments Effective Jan 1 2018

				PG&E 2018 Surcharges						
CCA Rate Schedule	Season	Time of Use Period	PCE 2017 Rate	PCIA	FFS	Total Surcharges	PCE 2017 Rate with 2018 PG&E Surcharges	Projected 2018 PG&E Generation Rate	% Net difference of PCE 2017 Rate with PG&E 2018 Surcharges (goal -5%)	Proposed PCE Jan 1 2018 rate to achieve 5% net discount
E-6	Summer	On-Peak	0.1761	0.03401	0.00058	0.03459	0.21069	0.22863	-7.85%	
	Summer	Part-Peak	0.07838	0.03401	0.00058	0.03459	0.11297	0.12011	-5.94%	
	Summer	Off-Peak	0.03849	0.03401	0.00058	0.03459	0.07308	0.07581	-3.60%	
	Winter	Part-Peak	0.06063	0.03401	0.00058	0.03459	0.09522	0.10040	-5.16%	
	Winter	Off-Peak	0.04967	0.03401	0.00058	0.03459	0.08426	0.08822	-4.49%	0.04922
EV (EV-A and EV-B)	Summer	On-Peak	0.1896	0.03401	0.00058	0.03459	0.22419	0.23802	-5.81%	
	Summer	Part-Peak	0.07595	0.03401	0.00058	0.03459	0.11054	0.11471	-3.64%	
	Summer	Off-Peak	0.02336	0.03401	0.00058	0.03459	0.05795	0.05765	0.53%	
	Winter	On-Peak	0.05221	0.03401	0.00058	0.03459	0.0868	0.08895	-2.42%	0.04991
	Winter	Part-Peak	0.02144	0.03401	0.00058	0.03459	0.05603	0.05557	0.83%	0.0182
	Winter	Off-Peak	0.02525	0.03401	0.00058	0.03459	0.05984	0.05971	0.22%	0.02213
E-TOU-A	Summer	On-Peak	0.14438	0.03401	0.00058	0.03459	0.17897	0.18999	-5.80%	
	Summer	Off-Peak	0.07258	0.03401	0.00058	0.03459	0.10717	0.11138	-3.78%	
	Winter	On-Peak	0.06141	0.03401	0.00058	0.03459	0.096	0.09915	-3.18%	0.05961
	Winter	Off-Peak	0.04783	0.03401	0.00058	0.03459	0.08242	0.08428	-2.21%	0.04548
E-TOU-B	Summer	On-Peak	0.16552	0.03401	0.00058	0.03459	0.20011	0.21276	-5.95%	
	Summer	Off-Peak	0.06761	0.03401	0.00058	0.03459	0.1022	0.10558	-3.20%	
	Winter	On-Peak	0.06403	0.03401	0.00058	0.03459	0.09862	0.10166	-2.99%	0.06199
	Winter	Off-Peak	0.04617	0.03401	0.00058	0.03459	0.08076	0.08211	-1.64%	0.04341
AG-RA	Summer	On-Peak	0.23212	0.02504	0.00052	0.02556	0.25768	0.28262	-8.82%	
	Summer	Off-Peak	0.0421	0.02504	0.00052	0.02556	0.06766	0.07118	-4.94%	
Demand	Summer	Total	1.24	0.02504	0.00052	0.02556	1.24	1.38320	-10.35%	
	Winter	On-Peak	0.04888	0.02504	0.00052	0.02556	0.07444	0.07871	-5.42%	
	Winter	Off-Peak	0.03835				0.06391	0.06700	-4.61%	0.03809
AG-RB	Summer	On-Peak	0.2075	0.02504	0.00052	0.02556	0.23306	0.25523	-8.68%	
	Summer	Off-Peak	0.04164	0.02504	0.00052	0.02556	0.0672	0.07066	-4.89%	
Demand	Summer	Max	1.84				1.84	2.04880	-10.19%	
Demand	Summer	On-Peak	2.07				2.07	2.30880	-10.34%	
	Winter	On-Peak	0.03638	0.02504	0.00052	0.02556	0.06194	0.06481	-4.43%	0.03601
	Winter	Off-Peak	0.02775	0.02504	0.00052	0.02556	0.05331	0.05520	-3.43%	0.02688
AG-VA	Summer	On-Peak	0.20036	0.02504	0.00052	0.02556	0.22592	0.24727	-8.63%	
	Summer	Off-Peak	0.03953	0.02504	0.00052	0.02556	0.06509	0.06831	-4.71%	
	Summer	Total	1.30				1.30	1.44560	-10.07%	
	Winter	On-Peak	0.04743	0.02504	0.00052	0.02556	0.07299	0.07711	-5.34%	
	Winter	Off-Peak	0.03713	0.02504	0.00052	0.02556	0.06269	0.06563	-4.49%	0.03679
AG-VB	Summer	On-Peak	0.18335	0.02504	0.00052	0.02556	0.20891	0.22833	-8.51%	
	Summer	Off-Peak	0.03991	0.02504	0.00052	0.02556	0.06547	0.06872	-4.73%	
Demand	Summer	Max	1.69				1.69	1.88240	-10.22%	
Demand	Summer	On-Peak	2.18				2.18	2.42320	-10.04%	

Peninsula Clean Energy
Proposed Interim Rate Adjustments Effective Jan 1 2018

CCA Rate Schedule	Season	Time of Use Period	PCE 2017 Rate	PCIA	FFS	Total Surcharges	PCE 2017 Rate with 2018 PG&E Surcharges	Projected 2018 PG&E Generation Rate	% Net difference of PCE 2017 Rate with PG&E 2018 Surcharges (goal -5%)	Proposed PCE Jan 1 2018 rate to achieve 5% net discount
	Winter	On-Peak	0.0366	0.02504	0.00052	0.02556	0.06216	0.06505	-4.45%	0.03624
	Winter	Off-Peak	0.02792	0.02504	0.00052	0.02556	0.05348	0.05539	-3.45%	0.02706
AG-4-A	Summer	On-Peak	0.12911	0.02504	0.00052	0.02556	0.15467	0.16800	-7.94%	
	Summer	Off-Peak	0.04332	0.02504	0.00052	0.02556	0.06888	0.07253	-5.03%	
Demand	Summer	Total	1.28				1.28	1.42480	-10.16%	
	Winter	On-Peak	0.04721	0.02504	0.00052	0.02556	0.07277	0.07687	-5.33%	
	Winter	Off-Peak	0.03699	0.02504	0.00052	0.02556	0.06255	0.06549	-4.49%	0.03665
AG-4-B	Summer	On-Peak	0.09376	0.02504	0.00052	0.02556	0.11932	0.12867	-7.27%	
	Summer	Off-Peak	0.04525	0.02504	0.00052	0.02556	0.07081	0.07468	-5.19%	
Demand	Summer	Max	2.27				2.27	2.52720	-10.18%	
Demand	Summer	On-Peak	2.41				2.41	2.68320	-10.18%	
	Winter	On-Peak	0.04358	0.02504	0.00052	0.02556	0.06914	0.07282	-5.05%	
	Winter	Off-Peak	0.03382	0.02504	0.00052	0.02556	0.05938	0.06196	-4.17%	0.03331
AG-4-C	Summer	On-Peak	0.1105	0.02504	0.00052	0.02556	0.13606	0.14728	-7.62%	
	Summer	Part-Peak	0.05308	0.02504	0.00052	0.02556	0.07864	0.08339	-5.69%	
	Summer	Off-Peak	0.0322	0.02504	0.00052	0.02556	0.05776	0.06016	-4.00%	
Demand	Summer	On-Peak	5.56				5.56	6.18176	-10.06%	
Demand	Summer	Part-Peak	0.95				0.95	1.05040	-9.56%	
	Winter	Part-Peak	0.03813	0.02504	0.00052	0.02556	0.06369	0.06676	-4.60%	0.03786
	Winter	Off-Peak	0.02916	0.02504	0.00052	0.02556	0.05472	0.05678	-3.63%	0.02838
AG-5-A	Summer	On-Peak	0.11943	0.02504	0.00052	0.02556	0.14499	0.15724	-7.79%	
	Summer	Off-Peak	0.04799	0.02504	0.00052	0.02556	0.07355	0.07774	-5.39%	
Demand	Summer	Total	3.52				3.52	3.91040	-9.98%	
	Winter	On-Peak	0.0513	0.02504	0.00052	0.02556	0.07686	0.08142	-5.60%	
	Winter	Off-Peak	0.04054	0.02504	0.00052	0.02556	0.0661	0.06944	-4.81%	0.04041
AG-5-B	Summer	On-Peak	0.11615	0.02504	0.00052	0.02556	0.14171	0.15357	-7.72%	
	Summer	Off-Peak	0.02454	0.02504	0.00052	0.02556	0.0501	0.05163	-2.96%	
Demand	Summer	Max	4.23				4.23	4.70080	-10.02%	
Demand	Summer	On-Peak	5.29				5.29	5.88640	-10.13%	
	Winter	On-Peak	0.04363	0.02504	0.00052	0.02556	0.06919	0.07287	-5.05%	
	Winter	Off-Peak	0.01664	0.02504	0.00052	0.02556	0.0422	0.04284	-1.49%	0.01514
AG-5-C	Summer	On-Peak	0.09191	0.02504	0.00052	0.02556	0.11747	0.12659	-7.20%	
	Summer	Part-Peak	0.04383	0.02504	0.00052	0.02556	0.06939	0.07309	-5.06%	
Demand	Summer	Off-Peak	0.02593				0.05149	0.05319	-3.19%	
Demand	Summer	On-Peak	9.77				9.77	10.86800	-10.10%	
	Summer	Part-Peak	1.83				1.83	2.03840	-10.22%	
	Winter	Part-Peak	0.0313	0.02504	0.00052	0.02556	0.05686	0.05914	-3.86%	0.03063
	Winter	Off-Peak	0.02316	0.02504	0.00052	0.02556	0.04872	0.05010	-2.75%	0.02203



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

Additional information regarding Agenda Item 7:
Citizens Climate Lobby Carbon Fee and Dividend Proposal

At the October 31, 2017 meeting of the San Mateo County Board of Supervisors, they adopted a resolution urging the United States Congress to enact a revenue-neutral tax on carbon-based fossil fuels. Copies of the documents presented at the Board of Supervisors' meeting are attached, including the memo describing the issue, the resolution, and the PowerPoint presentation from the Citizens' Climate Lobby.

Also attached is a proposed PCE resolution urging the United States Congress to enact a revenue-neutral tax on carbon-based fossil fuels, which closely follows that adopted by the San Mateo County Board of Supervisors.

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Supervisor Don Horsley, President of the Board
Supervisor Dave Pine, District 1
Subject: Revenue-Neutral Tax on Carbon-Based Fossil Fuels

RECOMMENDATION:

Adopt a resolution urging the United States Congress to enact a revenue-neutral tax on carbon-based fossil fuels. The request stipulates the tax rate should start low and increase steadily and predictably with the goal of reducing carbon dioxide (CO₂) emissions in the United States to 80 percent below 1990 levels by 2050; that all tax revenue should be distributed to the general population to protect middle to low-income earners from the impact of rising prices due to the tax; that the tax be collected once, as far upstream in the economy as practical, or at the port of entry into the United States; and that the international competitiveness of United States businesses should be protected by using carbon-content-based tariffs and tax refunds.

BACKGROUND:

Greenhouse gas (GHG) emissions from human activities, such as the burning of fossil fuels, are causing rising global temperatures. The average surface temperature on Earth has been increasing steadily, with the sixteen hottest years ever recorded all occurring since 1998. The hottest of all years to date was 2016. In April 2017, the global atmospheric concentration of CO₂ reached 410 parts per million, a level higher than has occurred in the past 3 million years. By 2100, the projected average global temperature will be 2 degrees Fahrenheit to 11.5 degrees Fahrenheit higher than the current average global temperature, depending on the level of GHG trapped in the atmosphere. As carbon dioxide remains in the atmosphere for hundreds of years, the increasing release of carbon dioxide exacerbates global warming, and threatens the very conditions which sustain human survival on the planet. In order to achieve climate stabilization and avoid cataclysmic climate change, climate scientists from around the world estimate GHG emissions must be brought to 80 percent below 1990 levels by 2050.

DISCUSSION:

Local and regional jurisdictions must press for national level policy solutions to global warming and urge federal action to transition from fossil fuels to clean energy. One such solution would be the enactment of a revenue-neutral tax on carbon-based fossil fuels. A national carbon tax on fossil fuels would begin to correct the negative externalities missed by current pricing and efficiently and effectively reduce GHG emissions.

Citizens' Climate Education Corporation commissioned Regional Economic Models, Inc. (REMI) to complete a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax. REMI's study predicted such a tax would lead to a decrease in carbon dioxide emissions by 33 percent after ten years, with an increase in national employment by 2.8 million jobs, and an average dividend for a family of four of \$288. REMI's study also showed that a carbon tax would reduce CO2 emissions by 33% in 10 years.

A national carbon tax on fossil fuels, based on the amount of carbon dioxide the fuel will emit when burned, can be implemented quickly and efficiently. The tax would be collected once as far upstream in the economy as possible or at the port of entry to the United States. The tax rate would start low and increase steadily and predictably with the goal of reducing carbon dioxide (CO2) emissions in the United States to 80 percent below 1990 levels by 2050,

By returning the revenue generated by the carbon tax in equal monthly dividends to all American households, approximately two-thirds of Americans will break even or come out ahead, as their dividends will match or exceed direct and indirect price increases due to the tax. In addition, by implementation of border adjustments such as carbon-content-based tariffs on countries without comparable carbon pricing and carbon tax refunds to American exporters, the international competitiveness of United States businesses will be protected. This new policy also would make the United States a leader in mitigating climate change, advancing clean energy technologies, and accelerating the reduction of GHG emissions.

California is already recognized as a leader in addressing climate change and is on track to meet the goals of the California Global Warming Solutions Act of 2006 (AB32) to reduce GHG emission to 1990 levels by the year 2020. The State has further established goals to reduce GHG emissions by 40 percent below 1990 levels by 2030 (SB 32), and to 80 percent below 1990 levels by the year 2050 (Executive Order S-3-05). San Mateo County's Climate Action Plan for Government Operations (adopted on September 11, 2012), and its Climate Action Plan for the Unincorporated Area of the County (adopted June 4, 2013) set targets of reducing emission by 15 percent and 17 percent below 2005 levels by 2020, respectively. The County is in the process of updating its climate action plans so that its emission reduction goals are consistent with the state's target of 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050. Moreover, the County led the effort to create Peninsula Clean Energy which is now providing electricity throughout the county that is 80% GHG free.

A joint resolution of the California State Senate and State Assembly was chaptered September 1, 2016 to urge the adoption and implementation of a federal carbon tax and dividend. By adopting the proposed resolution, the San Mateo County Board of Supervisors affirms the critical importance of addressing both the negative impacts of

climate change and the underlying causes of GHG emissions, and urges the United States Congress to enact a revenue-neutral tax on carbon-based fossil fuels and dividend.

FISCAL IMPACT:

No Net County Cost with the adoption of this resolution.

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION URGING THE UNITED STATES CONGRESS TO ENACT A REVENUE-NEUTRAL TAX ON CARBON-BASED FOSSIL FUELS

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, greenhouse gas (GHG) emissions from human activities, including the burning of fossil fuels, are causing rising global temperatures; and

WHEREAS, the average surface temperature on Earth has been increasing steadily, with the sixteen hottest years ever recorded all occurring since 1998, and the hottest of all years to date being 2016; and

WHEREAS, the global atmospheric concentration of carbon dioxide (CO₂) exceeded 410 parts per million (ppm) in April 2017, the highest level in three million years; and

WHEREAS, the average global temperature by the year 2100 is predicted to be 2 degrees Fahrenheit to 11.5 degrees Fahrenheit higher than the current average global temperature, depending on the level of GHG emissions trapped in the atmosphere; and

WHEREAS, scientific evidence indicates that it is necessary to reduce the global atmospheric concentration of CO₂ from the current concentration of more than 400 ppm to 350 ppm or less in order to slow or stop the rise in global temperature; and

WHEREAS, global warming is already leading to large-scale problems including ocean acidification and rising sea levels; more frequent, extreme, and damaging weather events such as heat waves, storms, heavy rainfall and flooding, and droughts; more frequent and intense wildfires; disrupted ecosystems affecting biodiversity and food production; and an increase in heat-related deaths; and

WHEREAS, further global warming poses an unacceptable risk of catastrophic impacts to the ecosystems on which all life depends; and

WHEREAS, conservative estimates by the world's climate scientists state that to achieve climate stabilization and avoid cataclysmic climate change, by the year 2050 GHG emissions must be reduced to levels that are 80% below 1990 levels; and

WHEREAS, the Global Warming Solutions Act of 2006 (AB 32) commits the State of California to reduce GHG emissions to 1990 levels by 2020, and the State has further established goals to reduce GHG emissions by 40 percent below 1990 levels by 2030 (SB 32), and to 80 percent below 1990 levels by 2050 (Executive Order S-3-05).

WHEREAS, the San Mateo County Board of Supervisors adopted Resolution #072558 committing the County to reduce GHG emissions for the County's unincorporated area to a target of 17% below 2005 levels by 2020, in accordance with the County's Energy Efficiency Climate Action Plan; and

WHEREAS, the San Mateo County Board of Supervisors adopted Resolution #072149 committing the County to reduce GHG emissions for County government operations to a target of 15% below 2005 levels by 2020; and

WHEREAS, the environmental, health, and social costs of CO2 emissions are not currently included in the price paid for fossil fuels, and these negative externalities are borne by all global inhabitants, particularly those in disadvantaged communities; and

WHEREAS, a national carbon tax will benefit the economy, human health, the environment, and national security as a result of correcting market distortions, reducing toxic pollutants, reducing the outflow of dollars to oil-producing countries, and improving the energy security of the United States; and

WHEREAS, a phased-in carbon tax on GHG emissions 1) is an efficient, transparent, and enforceable mechanism to drive an effective and fair transition to a renewable energy economy, 2) will incentivize manufacturers, businesses, and consumers throughout the economy to produce and use less fossil fuel, and 3) will stimulate investment in alternative-energy; and

WHEREAS, equal monthly dividends (or “rebates”) from the funds generated by the carbon tax paid to every American household can help ensure that families and individuals can afford the energy they need during the transition to a GHG-free economy, and these dividends also will stimulate the economy; and

WHEREAS, enacting a national carbon tax would make the United States a leader in mitigating climate change and in the clean energy technologies of the 21st century, and would incentivize other countries to enact a similar carbon tax, reducing global GHG emissions; and

WHEREAS, a national carbon tax, starting at a low rate and increasing steadily over future years, is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use non-carbon-based energy resources; and

WHEREAS, fossil fuels can be taxed once, as far upstream as possible in the economy as practical, or at the port of entry to the United States, for efficient administration; and

WHEREAS, border adjustments levied on carbon-based products imported from countries without comparable carbon pricing, and refunds to exporters, will help level the playing field and maintain the competitiveness of United States' businesses in global markets; and

WHEREAS, a national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax, and already collects taxes from fossil fuel producers and importers; and

WHEREAS, the Citizens' Climate Education Corporation contracted with Regional Economic Modeling, Inc. (REMI) to undertake a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax; and

WHEREAS, REMI's research predicts that, after 10 years, a revenue-neutral carbon tax would lead to a decrease of CO₂ emissions by 33 percent, an increase in

national employment of 2.8 million jobs, and an average monthly dividend for a family of four of \$288; and

WHEREAS, if 100% of the carbon tax revenue is returned to households in equal shares, approximately two-thirds of Americans will break even or come out ahead, as their dividends will match or exceed direct and indirect price increases due to the tax, protecting lower and middle income households; and

WHEREAS, continued widespread use of fossil fuels and impacts due to climate change pose a present and growing risk to the residents of San Mateo County, and a nation-wide, revenue-neutral carbon tax will significantly mitigate those risks and promote the health, safety, and prosperity of communities in San Mateo County, across the United States, and around the world.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that Board of Supervisors urges the Congress of the United State to enact, without delay, a revenue-neutral tax on carbon-based fossil fuels; and

BE IT FURTHER RESOLVED that the tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States; and

BE IT FURTHER RESOLVED that the tax rate should start low and increase steadily and predictably with the goal of reducing carbon dioxide emissions in the United States to 80 percent below 1990 levels by 2050; and

BE IT FURTHER RESOLVED that all tax revenue should be returned to households to protect low and middle income Americans from the impact of rising prices due to the tax; and

BE IT FURTHER RESOLVED that the international competitiveness of the United States businesses should be protected by using border tariffs and tax refunds.

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Citizens' Climate Lobby



Mission

To create the political will
for climate solutions by
enabling individual
breakthroughs in personal
and political power.



Citizens' Climate Lobby

About CCL

- 1 International**
United States, Canada, Australia, India, Germany, Sweden, Panama, etc. Now over 80,000 supporters
- 2 Nonpartisan**
We build relationships with everyone, even those who oppose us.
- 3 Nonprofit**
Volunteer driven organization with 501c(3) and 501c(4) status.
- 4 Solution focus**
We are for a solution: Carbon Fee and Dividend.
- 5 Respect, appreciation and gratitude**
We treat everyone with respect, appreciation and gratitude.



Citizens' Climate Lobby

About CCL - San Mateo

Alan Mattlage
**Congressional
Liaison**

Gary White
**Group
Leader**

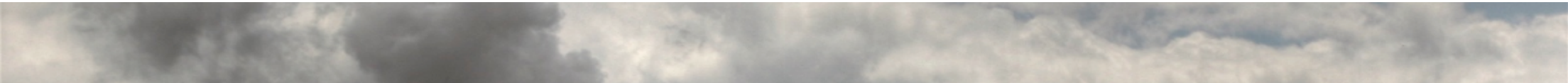
Ellyn Dooley
**Membership &
Projects**

***344 Supporters in
San Mateo County***



Citizens' Climate Lobby
San Mateo Chapter

***40 Climate
Activists***



If we want to solve climate change,
we need to price carbon nationally



Carbon Fee and Dividend

The Best Next Step

1

Place a fee on fossil fuels at the source
(at the mine, well or port).

2

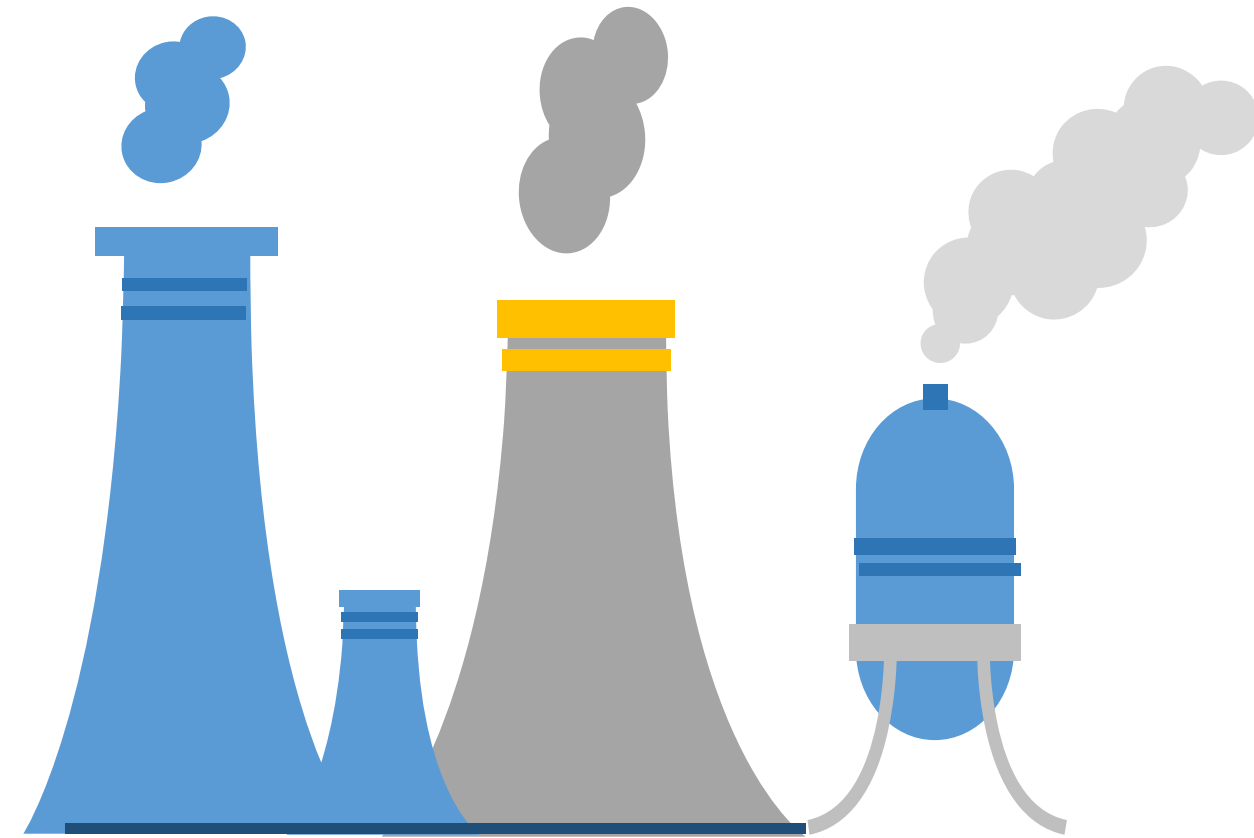
Return all of the revenue to U.S. households
equally.

3

Place a border adjustment on goods
Imported from or exported to countries
without an equivalent price on carbon.



Anticipated Emissions Reductions



Under Carbon Fee and Dividend

31%



Within 10 years*

50%



Within 20 years*

*Below 1990 levels

Expected Jobs Created



Under Carbon Fee and Dividend

2.1M New Jobs

10 years

2.8M New Jobs

20 years

Likely GDP Growth



Under Carbon Fee and Dividend

\$70 - \$85B/year

Average

\$1.375 T

20 years

Estimated Lives Saved

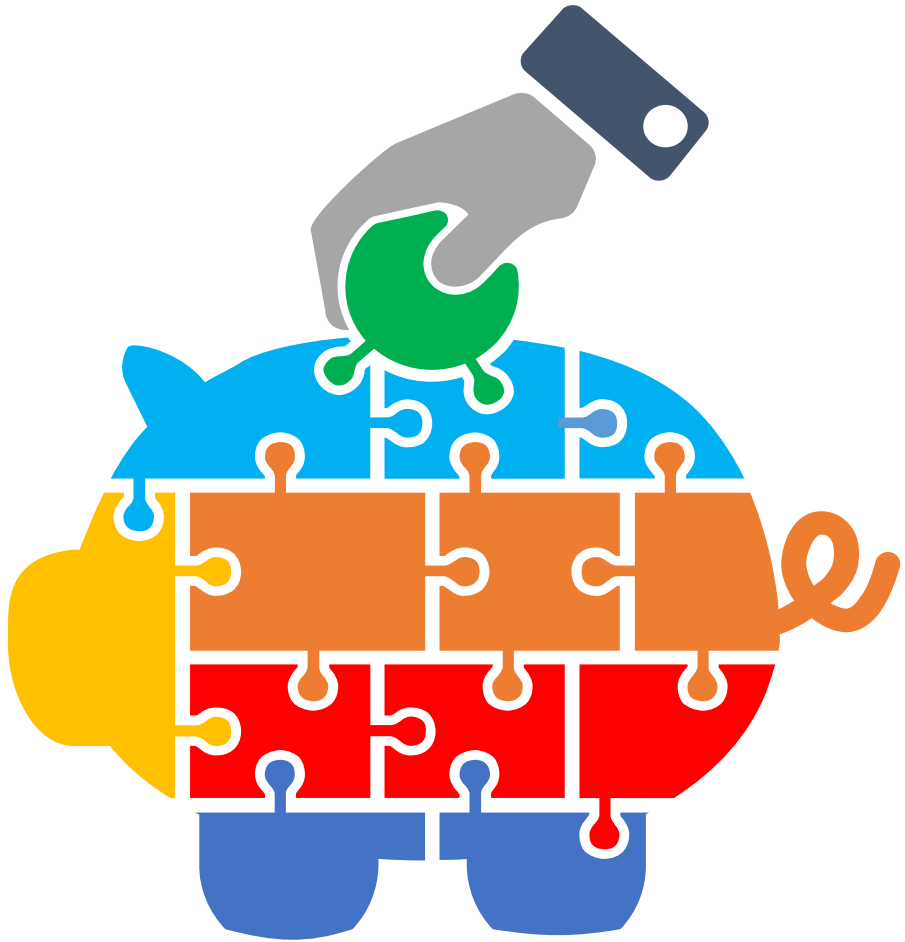
Under Carbon Fee and Dividend

227,000 lives

Over 20 years



Household Dividend



Under Carbon Fee and Dividend

\$288/month*

10 years

\$396/month*

20 years

*For a family of four

James Hansen

Climate Scientist

“

...the backbone of a solution to the climate problem is a flat carbon emissions price... This carbon price must rise continually at a rate that is economically sound. The funds must be distributed back to the citizens, not to special interests.

”

CCL Advisory Board





CCL Advisory Board

George Shultz

Former Treasury Secretary

And Secretary of State

“ We argue for revenue neutrality on the grounds that this tax should be exclusively for the purpose of leveling the playing field, not for financing some other government programs or for expanding the government sector. ”

Your Endorsement

- Joins over 100 U.S. sub-national governmental endorsements
- Helps us obtain the endorsements of San Mateo County cities
- Demonstrates support of the proposal for national action and in particular in the U.S. Congress



Citizens' Climate Lobby

***San Mateo
Chapter***

RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION URGING THE UNITED STATES CONGRESS TO ENACT A REVENUE-NEUTRAL TAX ON CARBON-BASED FOSSIL FUELS

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, greenhouse gas (GHG) emissions from human activities, including the burning of fossil fuels, are causing rising global temperatures; and

WHEREAS, the average surface temperature on Earth has been increasing steadily, with the sixteen hottest years ever recorded all occurring since 1998, and the hottest of all years to date being 2016; and

WHEREAS, the global atmospheric concentration of carbon dioxide (CO₂) exceeded 410 parts per million (ppm) in April 2017, the highest level in three million years; and

WHEREAS, the average global temperature by the year 2100 is predicted to be 2 degrees Fahrenheit to 11.5 degrees Fahrenheit higher than the current average global temperature, depending on the level of GHG emissions trapped in the atmosphere; and

WHEREAS, scientific evidence indicates that it is necessary to reduce the global atmospheric concentration of CO₂ from the current concentration of more than 400 ppm to 350 ppm or less in order to slow or stop the rise in global temperature; and

WHEREAS, global warming is already leading to large-scale problems including ocean acidification and rising sea levels; more frequent, extreme, and damaging weather events such as heat waves, storms, heavy rainfall and flooding, and droughts; more frequent and intense wildfires; disrupted ecosystems affecting biodiversity and food production; and an increase in heat-related deaths; and

WHEREAS, further global warming poses an unacceptable risk of catastrophic impacts to the ecosystems on which all life depends; and

WHEREAS, conservative estimates by the world's climate scientists state that to achieve climate stabilization and avoid cataclysmic climate change, by the year 2050 GHG emissions must be reduced to levels that are 80% below 1990 levels; and

WHEREAS, the Global Warming Solutions Act of 2006 (AB 32) commits the State of California to reduce GHG emissions to 1990 levels by 2020, and the State has further established goals to reduce GHG emissions by 40 percent below 1990 levels by 2030 (SB 32), and to 80 percent below 1990 levels by 2050 (Executive Order S-3-05); and

WHEREAS, the Peninsula Clean Energy Authority was formed to reduce greenhouse gas emissions in the county through the sourcing of cleaner and greener electricity; and

WHEREAS, the environmental, health, and social costs of CO₂ emissions are not currently included in the price paid for fossil fuels, and these negative externalities are borne by all global inhabitants, particularly those in disadvantaged communities; and

WHEREAS, a national carbon tax will benefit the economy, human health, the environment, and national security as a result of correcting market distortions, reducing toxic pollutants, reducing the outflow of dollars to oil-producing countries, and improving the energy security of the United States; and

WHEREAS, a phased-in carbon tax on GHG emissions 1) is an efficient, transparent, and enforceable mechanism to drive an effective and fair transition to a renewable energy economy, 2) will incentivize manufacturers, businesses, and consumers throughout the economy to produce and use less fossil fuel, and 3) will stimulate investment in alternative-energy; and

WHEREAS, equal monthly dividends (or “rebates”) from the funds generated by the carbon tax paid to every American household can help ensure that families and individuals can afford the energy they need during the transition to a GHG-free economy, and these dividends also will stimulate the economy; and

WHEREAS, enacting a national carbon tax would make the United States a leader in mitigating climate change and in the clean energy technologies of the 21st century, and would incentivize other countries to enact a similar carbon tax, reducing global GHG emissions; and

WHEREAS, a national carbon tax, starting at a low rate and increasing steadily over future years, is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use non-carbon-based energy resources; and

WHEREAS, fossil fuels can be taxed once, as far upstream as possible in the economy as practical, or at the port of entry to the United States, for efficient administration; and

WHEREAS, border adjustments levied on carbon-based products imported from countries without comparable carbon pricing, and refunds to exporters, will help level the playing field and maintain the competitiveness of United States' businesses in global markets; and

WHEREAS, a national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax, and already collects taxes from fossil fuel producers and importers; and

WHEREAS, the Citizens' Climate Education Corporation contracted with Regional Economic Modeling, Inc. (REMI) to undertake a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax; and

WHEREAS, REMI's research predicts that, after 10 years, a revenue-neutral carbon tax would lead to a decrease of CO₂ emissions by 33 percent, an increase in national employment of 2.8 million jobs, and an average monthly dividend for a family of four of \$288; and

WHEREAS, if 100% of the carbon tax revenue is returned to households in equal shares, approximately two-thirds of Americans will break even or come out

ahead, as their dividends will match or exceed direct and indirect price increases due to the tax, protecting lower and middle income households; and

WHEREAS, continued widespread use of fossil fuels and impacts due to climate change pose a present and growing risk to the residents of San Mateo County, and a nation-wide, revenue-neutral carbon tax will significantly mitigate those risks and promote the health, safety, and prosperity of communities in San Mateo County, across the United States, and around the world.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that this Board urges the Congress of the United State to enact, without delay, a revenue-neutral tax on carbon-based fossil fuels; and

BE IT FURTHER RESOLVED that the tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States; and

BE IT FURTHER RESOLVED that the tax rate should start low and increase steadily and predictably with the goal of reducing carbon dioxide emissions in the United States to 80 percent below 1990 levels by 2050; and

BE IT FURTHER RESOLVED that all tax revenue should be returned to households to protect low and middle-income Americans from the impact of rising prices due to the tax; and

BE IT FURTHER RESOLVED that the international competitiveness of the United States businesses should be protected by using border tariffs and tax refunds.

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